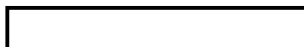


15 April 1982

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MEMORANDUM FOR THE RECORD

FROM:

Chief, Technology Transfer Assessment Center
OSWR/DDI

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SUBJECT:

PFIAB Strategic and Military Task Force Briefing on Technology
Transfer Problem

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1. On 8 April 1982, I briefed Dr. John Foster's PFIAB Strategic and Military Task Force on the Soviet effort to acquire militarily significant Western technology. The briefing was a follow-up to an earlier briefing on the overall technology transfer problem given to the full PFIAB membership on 11 March. In addition to Dr. Foster, Task Force members attending included Martin Anderson, Glenn Cambell and Mrs. Clare B. Luce; Anne Armstrong and Leo Churne also attended the morning session. Dr. Foster's Task Force has a number of technical consultants, and several of them also participated in the all-day session: Alexander Flax, Director, IDA; Eb Rechten, President of Aerospace Corp. (and member of the DCT's S&T Advisory Panel); Roland Herbst, R&D Associates; Ivan Bennett, Dean of Medicine, New York University; Roland Schmitt, Vice President, R&D, General Electric; and Gerald Johnson, TRW.

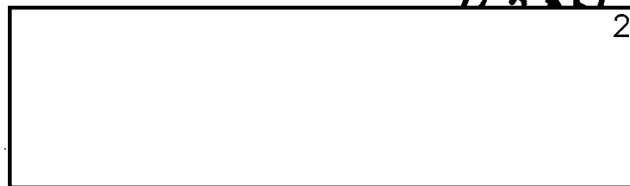
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2. The briefing covered in some detail the Soviet program and transfer modes — legal and illegal — used for acquiring US and Western technology. At Dr. Foster's request, each of the modes by which Western technology is lost was identified, and several examples of each were presented for ten major weapons systems and high-technology areas. An analytical judgment was offered regarding the relative value of Western technology acquired through each transfer mode. The briefing was concluded by providing an overview of Intelligence Community responsibilities in the technology transfer field and some highlights of recent CIA and Intelligence Community activities such as intelligence support to the High-Level COCOM meeting and establishing the Technology Transfer Intelligence Committee and the analytical units at CIA, DIA and the FBI dedicated to the technology transfer problem.

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3. The PFIAB Task Force's principal concern is to identify specific actions that can be taken to cope with the Soviet technology acquisition effort. As the result of the day's briefing and discussions, they now know there are no simple solutions to the many related problems that make up the technology transfer loss problem, including the following: counterintelligence efforts both in the US and abroad are being forced beyond narrow definitions of classical espionage, i.e., who is to protect unclassified, defense-related industrial technology from Soviet Bloc intelligence; the need for industrial security to protect Western firms from Soviet Bloc industrial espionage activities extends beyond defense contractors to high-technology civilian firms; export controls provide little protection from hostile intelligence-directed illegal trade activities — in fact, export control enforcement agencies have little or no capability to even detect such illegal trade activities; and, the Soviets and their Eastern European surrogates are

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actively pursuing the most advanced technology our society is developing through open academic and commercial exchanges with the leading industrial nations of the West. The Task Force expressed concern about the range of Soviet technology acquisition efforts but showed particular concern for those new leading-edge technologies being targeted through S&T exchange activities. [REDACTED]

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4. The Task Force members, representing government, industry and academia, had no unique solution to the multi-dimensional problem described, but it is clear that they now have a better understanding of the problems that the National Security and the Export Control and Intelligence Communities are presently wrestling with. In response to Dr. Foster's request for a CIA paper on solutions to the problem, I declined, stating that we were ready to work with his Task Force on the problem, but I did not think it was appropriate to have CIA prepare such a paper. At the conclusion of the day's briefing and discussion, I pointed out that there were some basic differences in analytical opinion concerning what CIA and the FBI believed were the most significant military technologies being acquired by the Soviets and that they should hear from Mr. O'Malley on his views. Also, I noted that DIA differed on the relative value of openly vs. clandestinely acquired technologies and suggested they should hear DIA's side of that issue. [REDACTED]

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Technology Transfer Problem** [REDACTED]

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